

October 30, 2006

**DWD ISSUANCE 07-06**

**Subject:** Eligible Providers of Youth Activities

1. **Purpose:** To provide information regarding the Waiver of Section 123 under the Workforce Investment Act (WIA) for eligible providers of youth activities.
2. **Background:** The Workforce Investment Act, Section 123, specifies “From funds allocated under paragraph (2)(A) or (3) of section 128(b) to a local area, the local board for such area shall identify eligible providers of youth activities by awarding grants or contracts on a competitive basis...”.
3. **Substance:** Rural areas in the state of Missouri face a challenge in finding sufficient service providers for youth services to make an award on a competitive basis. Based on a recent waiver received from the U. S. Department of Labor, seven (7) rural areas across the state will have flexibility in addressing barriers to finding qualified youth providers. By providing this flexibility, the local regions could use their time more wisely without going through a procurement process when there are not adequate service providers in their rural areas.

The seven (7) rural areas affected by this waiver include the following: Northwest, Northeast, West Central, Southwest, South Central, Southeast and Central Local Workforce Investment Areas.

This waiver will allow a local region the opportunity to provide assistance using a service provider that has demonstrated a unique ability to perform. It allows local regions to better utilize their youth funds and reduce the costs associated with competitive procurement when there are not sufficient service providers in the region to warrant the process. Youth elements can be labor intensive and some regions do not have the staff to dedicate to this element. Local regions can better meet training needs for the high skilled, high demand job market through the use of more flexible funding which will result in a quicker response to a youth's training needs.

Local regions affected by this waiver must submit a justification for waiving their competitive bid process. The Local Workforce Investment Boards (LWIBs) must ensure that certain conditions will be met as a result of applying for and receiving this waiver. Some conditions may include the following:

- Increasing customer choice in accessing the training opportunity in demand occupations;
- Increasing the number of training providers;
- Providing greater flexibility in securing training providers;
- Promoting better use of training providers in rural areas; or
- Eliminating duplicate processes for training providers.

4. **Action:** This information should be used by the LWIBs to develop the request to waive the competitive bid process for eligible providers of youth activities. This waiver will be in effect through June 30, 2007.

5. **Contact:** Please contact Randy Cottrell (573) 526-8242 if you have questions regarding the waiver.

6. **Cross/**  
**Historical:** WIA Sections 117(d)(2)(B) and 123, and WIA Regulations 20 CFR 664.410.



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Roderick Nunn, Director

RN/RH/DP

c: WIB Chairs  
WIB Directors  
DWD Admin Group  
DWD Central Office Managers  
Regional Managers  
Don Eisinger